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March 5, 2001

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA
NNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%	$15.20	/CWT
CLASS I BUTTERFAT PRICE PER POUND	$1.48	/LB

EFFECTIVE APRIL 1, 2001:

The minimum price to pay milk producers, under ARM 32.24.301, is $15.20 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 14.8 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be $1.48.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5% **$13.26 /CWT**

Average spray process dry milk solids price per pound	=	$1.04375		
Multiplied by 8.2	x	8.2		
		$8.55880		$8.55880
Last quote of the month for Grade AA butter minus a differential of $.0895	=	$1.41300		
Multiplied by 4.2	x	4.2		
		$5.93460	+	$5.93460
				$14.49340
LESS a make allowance of 8.5% (		$14.4934 X .085)	-	$1.23194
				$13.26146

Rounded to the nearest whole cent = **$13.26** /hundredweight.

EFF: APR 1, 2001

CLASS II BUTTERFAT PRICE PER POUND — **$1.57 /LB**

Last quote of the month for Grade AA butter				
minus a differential of $.0895	=	$1.41300 X .111)	=	$0.15684
Rounded to the nearest half cent			=	$0.157
Butterfat value per pound for milk at 3.5% test:		$1.57		
Hundredweight price of milk testing 3.5%			=	$13.26
LESS 3.5 pounds of butterfat at		$1.57 per pound	-	$5.495
Value of 96.5 pounds of skim			=	$7.765
CLASS II VALUE OF ONE POUND OF SKIM		7.765 / 96.5 pounds)	=	$0.08047 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5% — **$11.30 /CWT**

3.5 pounds of butterfat	$1.27	per pound =	$4.445
96.5 pounds of skim	$0.07104	per pound =	$6.855
			$11.300 /CWT

CLASS III BUTTERFAT PRICE PER POUND — **$1.27 /LB**

Last quote of the month for Grade AA butter		
minus a difference of $.0895 =	$1.41300	
LESS 10% -	$0.14130	
	$1.27170	
Rounded to the nearest whole cent	$1.27	per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED — $7.10376 /CWT

Avg. spray process dry milk solid price/lb	$1.04375	
Multiplied by 8.2	8.2	
	$8.55875	
LESS 17%	$1.45499	
	$7.10376	
Rounded to the nearest whole cent	$7.10	per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Mattfeldt

Marlys M. Mattfeldt, Bureau Chief
Montana Milk Control Bureau

EFF: APR 1, 2001

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON $15.20 FOR 3.5% MILK 96.5 LBS = $10.020		CLASS II SKIM PRICE BASED ON $13.26 FOR 3.5% MILK 96.5 LBS = $7.765		CLASS III SKIM PRICE BASED ON $11.30 FOR 3.5% MILK 96.5 LBS = $6.855	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	$0.10277	2.50	$0.07964	2.50	$0.07031
2.55	$0.10282	2.55	$0.07968	2.55	$0.07035
2.60	$0.10287	2.60	$0.07972	2.60	$0.07038
2.65	$0.10293	2.65	$0.07976	2.65	$0.07042
2.70	$0.10298	2.70	$0.07980	2.70	$0.07045
2.75	$0.10303	2.75	$0.07985	2.75	$0.07049
2.80	$0.10309	2.80	$0.07989	2.80	$0.07053
2.85	$0.10314	2.85	$0.07993	2.85	$0.07056
2.90	$0.10319	2.90	$0.07997	2.90	$0.07060
2.95	$0.10325	2.95	$0.08001	2.95	$0.07064
3.00	$0.10330	3.00	$0.08005	3.00	$0.07067
3.05	$0.10335	3.05	$0.08009	3.05	$0.07071
3.10	$0.10341	3.10	$0.08013	3.10	$0.07074
3.15	$0.10346	3.15	$0.08018	3.15	$0.07078
3.20	$0.10351	3.20	$0.08022	3.20	$0.07082
3.25	$0.10357	3.25	$0.08026	3.25	$0.07085
3.30	$0.10362	3.30	$0.08030	3.30	$0.07089
3.35	$0.10367	3.35	$0.08034	3.35	$0.07093
3.40	$0.10373	3.40	$0.08038	3.40	$0.07096
3.45	$0.10378	3.45	$0.08042	3.45	$0.07100
3.50	$0.10383	3.50	$0.08047	3.50	$0.07104
3.55	$0.10389	3.55	$0.08051	3.55	$0.07107
3.60	$0.10394	3.60	$0.08055	3.60	$0.07111
3.65	$0.10400	3.65	$0.08059	3.65	$0.07115
3.70	$0.10405	3.70	$0.08063	3.70	$0.07119
3.75	$0.10410	3.75	$0.08068	3.75	$0.07122
3.80	$0.10416	3.80	$0.08072	3.80	$0.07126
3.85	$0.10421	3.85	$0.08076	3.85	$0.07130
3.90	$0.10427	3.90	$0.08080	3.90	$0.07133
3.95	$0.10432	3.95	$0.08084	3.95	$0.07137
4.00	$0.10438	4.00	$0.08089	4.00	$0.07141
4.05	$0.10443	4.05	$0.08093	4.05	$0.07144
4.10	$0.10448	4.10	$0.08097	4.10	$0.07148
4.15	$0.10454	4.15	$0.08101	4.15	$0.07152
4.20	$0.10459	4.20	$0.08105	4.20	$0.07156
4.25	$0.10465	4.25	$0.08110	4.25	$0.07159
4.30	$0.10470	4.30	$0.08114	4.30	$0.07163
4.35	$0.10476	4.35	$0.08118	4.35	$0.07167
4.40	$0.10481	4.40	$0.08122	4.40	$0.07171
4.45	$0.10487	4.45	$0.08127	4.45	$0.07174
4.50	$0.10492	4.50	$0.08131	4.50	$0.07178

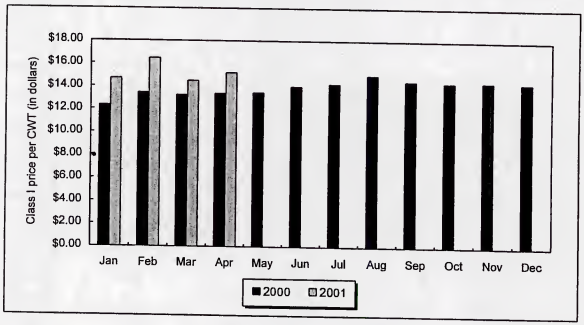
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2000 and 2001

Statistics from the Montana Milk Control Bureau

Month	2000	2001	Difference	% Change
January	$12.34	$14.68	$2.34	18.96%
February	$13.45	$16.43	$2.98	22.16%
March	$13.26	$14.49	$1.23	9.28%
April	$13.39	$15.20	$1.81	13.52%
May	$13.48	$0.00		
June	$14.03	$0.00		
July	$14.25	$0.00		
August	$15.01	$0.00		
September	$14.50	$0.00		
October	$14.39	$0.00		
November	$14.44	$0.00		
December	$14.37	$0.00		
Average	**$13.91**	**$5.07**	**$2.09**	**15.98%**

Prices are per hundredweight (CWT).



Completion of pooling (prior to audit) shows the producer quota blend prices to be:

JAN 2001: class I = $9.54; class II = $1.38; Class III = $3.77; total = $14.70

(calculations based upon utilization percentages of butterfat & skim)